

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 H-01 L-03  
DOE-11 SOE-02 /075 R

DRAFTED BY BEWT/OEWCA/EEAD/JBURGESS/PAM/ TDAD/DPIGGOT  
APPROVED BY EUR/EE:NANDREWS  
BEWT/OEWCA/EEAD/SLOTARSKI  
BEWT/OEWCA/JMGEORGE  
TDAD/ROGER STECHSCHULTE  
STATE/EUR/CE/SFROMOWTIZ

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P 172317Z MAR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BUCHAREST PRIORITY

C O N F I D E N T I A L STATE 069555

E.O. 11652: GDS

TAGS:ETRD, EEWT, ESTC, RO

SUBJECT:AVRAM VISIT TO U.S.

REFS: (A) BUCH 1538 (B) 1411

1. BEWT OFFICERS MET ON MARCH 14 WITH ROMANIAN EMBASSY OFFICIALS FODOR AND PETRE TO DISCUSS AVRAM VISIT. THAT MEETING AND SUBSEQUENT PHONE CONVERSATIONS WITH FODOR AND U.S. FIRMS INDICATE TO US THAT, AT PRESENT, PLANNING FOR VISIT IS EXTREMELY DISORGANIZED AND LOGISTICALLY UNREALISTIC. DIFFERENT ROMANIAN OFFICIALS APPEAR TO HAVE MADE SEPARATE ARRANGEMENTS WITH CERTAIN U.S. FIRMS WITH LITTLE THOUGHT GIVEN TO OVERALL COORDINATION. AS EXPECTED, NUMBER OF FIRMS TO BE COVERED IS OVERLY AM-CONFIDENTIAL

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BITIOUS FOR DAYS AVAILABLE. WE CAN ONLY HOPE THAT FODOR MOVES TO CORRECT SITUATION AND AVOIDS MISUNDERSTANDINGS THAT MAY OCCUR WITH U.S. FIRMS.

2. VISIT AS WE UNDERSTAND IT NOW IS ROUGHLY AS FOLLOWS:

A. APRIL 3-6

IN THIS 4 DAY PERIOD ROMANIANS HOPE TO RUN AVRAM THROUGH 8 CITIES INVOLVING MEETINGS WITH 14 FIRMS. CITY WITH

FIRMS TO BE VISITED IN PARENTHESIS ARE: SYRACUSE (ROLLWAY, CARRIER CORP); PITTSBURG (WESTINGHOUSE); COLUMBUS, OHIO (DENNISON); MARION, OHIO (MARION POWER SHOVEL); CLEVELAND (TEREX, PARKER - HANNIFIN, EATON, SIBIAN); DETROIT (GM, DETROIT DIESEL ALLISON, SPERRY-VICKERS); MILWAUKEE (BUCYRUS - ERIE); AND PEORIA (WABCO).

B. APRIL 7

MINNEAPOLIS IS SCHEDULED WITH FOCUS ON CDC AND THERMO-KING.

C. APRIL 8-10

AVRAM TO BE IN LOS ANGELES (PERTEC, AMPEX) AND SAN FRANCISCO (FAIRCHILD)

D. APRIL 11

AVRAM IN WASHINGTON ALL DAY. FODOR HAS REQUESTED MEETINGS FOR AVRAM AT COMMERCE AND EXIMBANK WHICH WE ARE SEEKING TO ARRANGE. REMAINDER OF DAY WOULD APPARENTLY BE DEVOTED CONFIDENTIAL

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TO COMMERCIAL VISITS AND MEETINGS WITH CONGRESS ALTHOUGH FODOR DISCLAIMED ANY RESPONSIBILITY FOR CONGRESSIONAL PORTION OF THE VISIT.

E. APRIL 12-13

AVRAM IS TO REMAIN IN WASHINGTON FOR FIRST DAY OF CEAUSESCU VISIT BUT WILL GO TO WILMINGTON (DUPONT) AND NEW YORK (GE, EDO CORP., AEROFLEX, AND OTHERS) FOR COMMERCIAL VISITS ON THE 13TH.

F. APRIL 14-17

AVRAM TO ACCOMPANY CEAUSESCU ON SOUTHERN TRIP. DURING THIS PERIOD AVRAM WOULD PRESUMABLY SEE COMBUSTION ENGINEERING IN CHATTANOOGO, DRESSER INDUSTRIES AND TEXAS INSTRUMENTS IN DALLAS, CAMERON IRON WORKS IN HOUSTON, AND J. RAY MCDERMOTT IN NEW ORLEANS. NEW YORK SCHEDULE FOR AVRAM ON APRIL 17 IS NOT CLEAR.

AGAIN, FODOR APPARENTLY NOT DIRECTLY INVOLVED IN PLANNING OF AVRAM VISIT WHEN HE IS WITH CEAUSESCU, AND THEREFORE OFFERED NO GUIDANCE ON WHAT AVRAM MIGHT BE DOING WITH THESE COMPANIES.

3. IN RESPONSE TO REFS (A) AND (B) BEWT/TDAD HAS CHECKED WITH FIRMS INDICATED AND HAS LEARNED THE FOLLOWING:

A. PRIORITY PROJECTS PER PARA 4.A. REF (A)

(1) CDC. THEY ARE NOT CLOSE ENOUGH TO SIGN ANYTHING DURING VISIT. ALSO, CDC RELUCTANT TO SIGN AGREEMENT FOR JOINT DATA SERVICE CENTER IN BUCHAREST OR FOR PRODUCTION OF A CDC COMPUTER THERE WITHOUT SOME ASSURANCES THAT EXPORT LICENSES WOULD BE GRANTED.

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(2) WABCO. LOOKS FORWARD TO RECEIVING AVRAM AND WILL SHOW HIM AS MUCH AS HE HAS TIME TO SEE. WABCO WOULD BE PLEASED TO AGREE UPON AND SIGN A PROTOCOL ESTABLISHING BASIS FOR COOPERATION IN THE PRODUCTION OF LARGE, OFF-ROAD MINING TRUCKS.

(3) THERMO-KING. PARENT OF THERMO-KING, WESTINGHOUSE, REPORTS THAT FODOR TOLD THEM AVRAM WOULD NOT VISIT THERMO-KING IN MINNEAPOLIS. THIS DOES NOT SQUARE WITH FODOR'S COMMENTS TO US REGARDING SCHEDULE FOR APRIL 7 (SEE ABOVE).

(4) GENERAL MOTORS. LOOKS FORWARD TO RECEIVING AVRAM AT THEIR TEREX DIVISION AT HUDSON, OHIO, AT THE DETROIT DIESEL ALLISON DIVISION AT SOUTHFIELD, MICHIGAN, AND AT GENERAL MOTORS CORPORATION HEADQUARTERS IN DETROIT, WHERE THEY HAVE SUGGESTED TO AVRAM THAT HE AND PROBABLY TOM KRAUSE FROM LONDON OFFICE INITIAL THE GENERAL COOPERATION AGREEMENT, WHICH COULD THEN BE SIGNED FORMALLY WITH GUY NEWTON IN LONDON OR BUCHAREST.

FYI - GM. DOES NOT PLAN TO CALL IN THE PRESS FOR THE INITIALING, HAVING SIMILAR AGREEMENTS WITH HUNGARY AND BULGARIA, AND BEING ABOUT TO SIGN ONE ALSO WITH POLAND-  
END FYI. THE DETROIT DIESEL ALLISON TALKS ARE STILL IN VERY PRELIMINARY STAGES, AND IT IS DOUBTFUL IF ANYTHING USEFUL COULD BE SIGNED.

(5) DUPONT. PRODUCT INVOLVED HERE IS ELECTRONIC CAPACITORS NOT ULTRASONIC WIRE BONDER, WHICH DUPONT DOES NOT PRODUCE. DUPONT (GENEVA OFFICE) HAS HAD PRELIMINARY DISCUSSIONS WITH GOR FOR DUPONT'S LAYERED PASTE TECHNOLOGY USED IN ELECTRONIC CAPACITORS, AS  
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WELL AS FOR ITS DYESTUFFS, FIBERS AND PLASTICS TECHNOLOGIES. DUPONT-GENEVA SURPRISED AT GOR INTENTION TO SIGN PROTOCOL DURING VISIT.

(6) AMPEX. DOES NOT MANUFACTURE COMPUTER TERMINALS AS INDICATED IN PARA 4 REF (B). HOWEVER, AMPEX HAS SIGNED AGREEMENT FOR ASSEMBLY OF COMPUTER CORE MEMORIES IN ROMANIA AND IS CONSIDERING AN AGREEMENT FOR ASSEMBLY OF TAPE DRIVES. AMPEX IS NOT IN A POSITION TO SIGN ANY AGREEMENT DURING AVRAM VISIT.

(7) WESTINGHOUSE. FODOR TOLD WESTINGHOUSE THAT AVRAM WANTED TO MEET WITH SENIOR EXECUTIVES IN PITTSBURGH AND THEN VISIT THE NEARBY NUCLEAR POWER PLANT OF THE DUQUESNE POWER AND LIGHT COMPANY. HE SAID ANOTHER GROUP WOULD BE COMING LATER TO PURSUE THAT 100 TON ELECTRIC DRIVE WHEEL QUESTION. WESTINGHOUSE SAYS THERE IS NOTHING CONCRETE TO SIGN ON ANY SUBJECT.

(8) ROLLWAY. LOOKS FORWARD TO RECEIVING AVRAM IN SYRACUSE, AND WOULD BE PLEASED TO SIGN A GENERAL PROTOCOL RECORDING PROGRESS TO DATE ON THE BIRLAD PROJECT WITH A SUGGESTED TIME-TABLE AND STEPS TO BE TAKEN TOWARD A CONTRACT.

(9) NUCLEAR EQUIPMENT. COMBUSTION ENGINEERING (C-E) IS CURRENTLY DISCUSSING WITH THE ROMANIANS THE SALE OF EQUIPMENT FOR NUCLEAR POWER PLANTS (C-E REPRESENTATIVE WAS IN BUCHAREST LAST WEEK), BUT IS NOT FAR ENOUGH ALONG TO SIGN ANYTHING SOON. C-E IS ANXIOUS TO MEET WITH AVRAM AND/OR CEAUSESCU AND IS WILLING TO HOST VISIT IN CHATTANOOGA, WHERE A NUCLEAR PLANT USING C-E EQUIPMENT IS LOCATED.

(10) FAIRCHILD. THEY ARE WILLING TO SIGN A CONTRACT IF THE ROMANIANS WOULD AGREE TO FAIRCHILD'S MOST CONFIDENTIAL

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RECENT PROPOSAL (MADE APPROXIMATELY 2 MONTHS AGO). PROJECT IS FOR THE ASSEMBLY OF CERTAIN ELECTRONIC PARTS FOR CALCULATORS AND IS ANALOGOUS TO FAIRCHILD'S PROJECT WITH TUNGSRAM IN HUNGARY. FAIRCHILD'S VIENNA OFFICE IS COORDINATING WITH GOR. TDAD RATES THIS AS BEST PROSPECT FOR SIGNING DURING VISIT.

(11) GENERAL ELECTRIC. SAYS THEY HAVE NOT YET BEEN APPROACHED FOR A VISIT BY MINISTER AVRAM, BUT WOULD BE GLAD TO ARRANGE ONE IF DESIRED. G.E. WOULD THEN BE HAPPY TO SIGN MINUTES OF ANY SUCH MEETING, BUT FEELS THAT TERMS FOR A MORE FORMAL AGREEMENT HAVE YET TO BE WORKED OUT.

B. NON-PRIORITY PROJECTS PER PARA 4.B. REF (A)

(1) TURBOBLOWERS - IN CONVERSATIONS AS RECENTLY AS MARCH 9 AND 15, SWITZER, VICE PRESIDENT AND GENERAL MANAGER

CANFIELD EXPRESSED LITTLE DESIRE TO PURSUE DISCUSSIONS OR OFFER A TURBO-BLOWER LICENSE TO ROMANIA AS (A) ROMANIANS HAVE REFUSED TO SEND EXPERTS TO HIS U.S. PLANT TO LEARN WHAT IS REALLY INVOLVED, (B) AFTER REQUESTING AND RECEIVING HIS ROCK-BOTTOM PRICE BY TELEX AND INVITING CANFIELD AND HIS GENERAL COUNSEL TO BUCHAREST FOR FINAL NEGOTIATIONS, NEGOTIATORS MERELY DEMANDED FURTHER DISCOUNTS, AND SAID HE WOULD HAVE TO TAKE BLOWERS IN PAYMENT, (C) HE AND HIS GENERAL COUNSEL WERE SUBJECTED TO GROSSLY DISCOURTEOUS TREATMENT WHILE IN BUCHAREST INCLUDING TEMPORARILY QUOTE LOSING UNQUOTE THEIR PASS-PORTS.

CANFIELD STATES UZINEXPORT HAS A DETAILED SWITZER OFFER IN WRITING, BUT AT A RECENT MANAGEMENT MEETING IT WAS CONFIDENTIAL

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ESTABLISHED THAT THE PRICE WOULD HAVE TO BE INCREASED 10 . HE SAID THAT UNLESS THE ROMANIANS WERE PREPARED TO AGREE TO THE ABOVE OFFER PLUS THIS 10 INCREASE, THE MATTER SHOULD BE CONSIDERED CLOSED.

(2) TELEPHONE CONNECTORS - IN VIEW OF EMBASSY COMMENTS REGARDING AVRAM'S LACK OF INTEREST AND AN ALREADY OVER-LOADED SCHEDULE, WE DID NOT PURSUE THIS ITEM.

(3) PRODUCTION OF GEARBOXES - EATON CORPORATION GAVE VERY CAREFUL CONSIDERATION TO THE POSSIBILITY OF LICENSING ROMANIA TO PRODUCE THEIR TWIN COUNTER-SHAFT TRANSMISSION, USED ON HEAVY EQUIPMENT. A COMMITTEE OF TOP-LEVEL EXECUTIVES WAS FORMED, A GROUP OF FOUR VISITED ROMANIA TO INSPECT PRODUCTION FACILITIES, BUT ON MARCH 3RD, 1978 THE COMPANY WROTE TO CONVEY THEIR DECISION NOT TO PROCEED WITH LICENSE NEGOTIATIONS. THEY WOULD, OF COURSE, BE GLAD TO RECEIVE MINISTER AVRAM AS A COURTESY, BUT EMPHASIZE THAT THEIR DECISION IS IRREVOCABLE.

FYI - COMPANY EXPERTS BECAME CONVINCED THAT THE ROMANIAN LEVEL OF TECHNOLOGY COULD NOT PRODUCE TRANSMISSIONS OF ACCEPTABLE QUALITY. END FYI.

THE DETROIT DEISEL ALLISON SECTION (SEE ABOVE PARA 3.A. (4)) REFERS ONLY TO THE DISCUSSIONS ON TRANSMISSIONS. SEE SECTION BELOW REGARDING DETROIT DIESEL ALLISON'S AGREEMENT ON HELICOPTER ENGINES.

(4) MICROMOTORS AND SERVOMOTORS AND (5) HYDRAULIC COMPONENTS FOR EARTH MOVING EQUIPMENT. WE HAVE NO INFORMATION TO DATE BUT PER PARA 2 ABOVE FODOR APPEARS TO BE PLANNING VISITS.

(6) POWER SHOVELS - BUCYRUS ERIE TELEXED MINISTER AVRAM  
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INVITING HIM TO VISIT, AND LOOKS FORWARD TO SHOWING HIM  
THEIR MILWAUKEE FACILITIES AND FURTHERING DISCUSSIONS  
SINCE THEIR FEBRUARY PROTOCOL. A TEAM FROM THEIR  
BRITISH COMPANY HAS RECENTLY BEEN IN ROMANIA STUDYING  
THEIR PRODUCTION CAPABILITIES.

ALSO, MARION POWER SHOVEL ENTERTAINED A ROMANIAN DELEG-  
ATION AT THEIR OHIO HEADQUARTERS LAST FALL AND  
SIGNED A LETTER OF INTENT TO CONTINUE DISCUSSIONS ON  
POSSIBLE COOPERATION IN THE PRODUCTION OF POWER SHOVELS.  
IN MID-FEBRUARY THEY MET WITH ROMANIA'S CHICAGO TRADE  
REP VALENTINE DIMA AND ANOTHER GROUP REGARDING THE SALE  
OF MINING SHOVELS, AND IN LATE FEBRUARY MADE ANOTHER  
CAPABILITIES PRESENTATION IN BUCHAREST. THEY HOPE THAT  
PROGRESS CAN BE MADE ON BOTH THESE TOPICS DURING  
THE VISIT.

(7) CLEVELAND TRADING COMPANY - WE HAVE NO CONTACT  
AS YET WITH MR. SIBISAN.

#### 4. OTHER PROJECTS

DETROIT DIESEL ALLISON WOULD BE PLEASED TO SIGN AGREE-  
MENT ON DDA'S TERMS FOR THE SALE OF GAS TURBINE  
ENGINES TO BE USED IN HELICOPTERS. PROPOSALS HAVE  
BEEN MADE AND THE EFFORT IS BEING COORDINATED OUT  
OF GM'S LONDON OFFICE. VANCE

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## Message Attributes

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**To:** BUCHAREST  
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